



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
ANDREW JOHNSON TOWER, 5TH FLOOR
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

BILL LEE
GOVERNOR

LISA PIERCEY, MD, MBA, FAAP
COMMISSIONER

December 7, 2020

Krista Lee Carsner, Director
Fiscal Review Committee
Suite G-102, Cordell Hull Building
425 5th Avenue North
Nashville, TN 37243

Mike Perry, Chief Procurement Officer
Central Procurement Office, Department of General Services
22nd Floor, Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243

Dear Director Carsner and CPO Perry:

The Department of Health, Division of Health Licensure and Regulation, requests approval to establish a three-year, sole-source contract with two one-year options to renew with Tyler Technologies (formerly Micropact) for the licenses, support and maintenance of the existing Versa Licensure and Regulatory System (LARS). LARS allows for health professionals and health-related facilities to apply and renew State health licenses via a secure, web-based, customer self-service solution. Tyler Technologies is the only vendor who can provide support and maintenance to the existing system.

The estimated total cost for the initial three-year contract is \$2,655,084.00. The funding will be provided 100% by State funds.

We appreciate your approval to proceed with this contract and thank you for your consideration.

Sincerely,

Lisa Percy, MD, MBA, FAAP

Lisa Piercey, MD, MBA, FAAP
Commissioner

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Michael Taylor	*Contact Phone:	615-741-8407
*Presenter's name(s):	Alexa Witcher, Brent Culberson, Lindsay Oliveras		
Edison Contract Number: <i>(if applicable)</i>	TBD	RFS Number: <i>(if applicable)</i>	34310-24121
*Original or Proposed Contract Begin Date:	February 7, 2021	*Current or Proposed End Date:	February 6, 2024
Current Request Amendment Number: <i>(if applicable)</i>	N/A		
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A		
*Department Submitting:	Health		
*Division:	Health Licensure and Regulation		
*Date Submitted:	December 7, 2020		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	Tyler Technologies, Inc.		
*Current or Proposed Maximum Liability:	\$2,655,084.00		
*Estimated Total Spend for Commodities:	N/A		
*Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY21	FY22	FY23	FY24
\$442,514.00	\$885,028.00	\$885,028.00	\$442,514.00
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i>			
FY	FY:	FY:	FY:
\$ NA	\$ NA	\$ NA	\$ NA
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:		N/A	
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:		N/A	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		N/A	
*Contract Funding Source/Amount:			

Supplemental Documentation Required for
Fiscal Review Committee

State:	\$2,655,084.00	Federal:	\$0
<i>Interdepartmental:</i>	\$0	<i>Other:</i>	\$0
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A		N/A	
Method of Original Award: <i>(if applicable)</i>		The original award was made via RFP in 2011 to MicroPact. Since that time, TDH has contracted with MicroPact (now named Tyler Technologies) for the licenses, support and maintenance for this system.	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		Projected costs for this contract request are based on a quote from the Contractor. The costs are similar to the previous contract with this Contractor.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		No other potential vendors have been identified, as Tyler Technologies is the only vendor who can provide the services for this system.	



E-Health Pre-Approval Endorsement Request E-Mail Transmittal

TO : Office of e-Health Initiatives
Department of Finance & Administration
E-mail: office.eHealth@tn.gov

FROM : Scott Creel, TDH - ITSD
E-mail: Scott.Creel@tn.gov

DATE : October 13, 2020

RE : Request for eHealth Pre-Approval Endorsement

Applicable RFS #	34310-24121
Office of e-Health Initiatives Endorsement Signature & Date:	
 10/15/2020	
Office of e-Health Initiatives	

Office of e-Health Initiatives (eHealth) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with medical/mental health-related professional, pharmaceutical, laboratory, or imaging type services as a component of the scope of service. This request seeks to ensure that eHealth is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

Please indicate eHealth endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency	Health
Agency Contact (name, phone, e-mail)	Scott Creel, (615) 770-1152, Scott.Creel@tn.gov
Attachments Supporting Request (as applicable – copies without signatures acceptable)	
Solicitation Document Special Contract Request Amendment Request Proposed contract or amendment	
Subject Medical/Mental Health-Related Service Description (Brief summary of eHealth services involved. As applicable, identify the contract and solicitation sections related to eHealth services.) This contract is for the provision of the Versa: Online web-based software system and Versa: Regulation Post Go-Live Enhancements.	



STS Pre-Approval Endorsement Request E-Mail Transmittal

TO : STS Contracts
Department of Finance & Administration
https://tn.service-now.com/sp?id=sc_cat_item&sys_id=a912fd4213b46b80316a73d36144b097

For additional instructions please visit:
<https://www.teamtn.gov/sts/planning-services/information-systems-planning/endorsement-request.html>

FROM : Scott Creel
E-mail : Scott.Creel@tn.gov

DATE : October 13, 2020 Received by STS on Tuesday, October 13, 2020

RE : Request for STS Pre-Approval Endorsement

Applicable RFS # 34310-24121 (END0000546)

State Security Confidential Information Applicability

Under Tenn. Code Ann. §10-7-504(i) vendor identity or a description of the goods or services provided by the vendor shall be confidential.

- ☐ Applicable
☒ Not Applicable

Additional language is attached and endorsement is contingent upon inclusion of this additional language:

- ☒ Applicable
☐ Not Applicable

STS Endorsement Signature & Date:

Stephanie Dedmon, Digitally signed by Stephanie
CIO (WMH) Dedmon, CIO (WMH)
Date: 2020.10.19 12:11:50 -05'00'

Chief Information Officer

NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.

Applicable RFS # 34310-24121 (END0000546)

Strategic Technology Solutions (STS) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that STS is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

Please indicate STS endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency	Health
Agency Contact (name, phone, e-mail)	Scott Creel, (615) 770-1152, Scott.Creel@tn.gov
Attachments Supporting Request (mark all applicable) Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request. <ul style="list-style-type: none"> <input type="checkbox"/> Solicitation Document <input type="checkbox"/> Special Contract Request <input type="checkbox"/> Amendment Request <input checked="" type="checkbox"/> Proposed Contract/Grant or Amendment <input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any) 	
Information Systems Plan (ISP) Project Applicability To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project. IT Director/Staff Name Confirming (required): Brandon Corbin, CIO - Health IT <ul style="list-style-type: none"> <input type="checkbox"/> Applicable – Approved ISP Project# <input checked="" type="checkbox"/> Not Applicable 	
Subject Information Technology Service Description Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, <i>etc.</i> As applicable, identify the contract or solicitation sections related to the IT services. This contract is for the provision of the Versa: Online web-based software system and Versa: Regulation Post Go-Live Enhancements.	

Attachment: STS Endorsement Conditions

This STS endorsement is contingent upon inclusion of the additional language below.

STS issues this endorsement with the understanding that no State data is being hosted or processed by the contractor.

Additionally, this endorsement is issued with the understanding that Section E.# b.(1), from the CPO template *Contractor Hosted Services Confidential Data, Audit, and Other Requirements*, be added to the contract, after current Section A.7.c.(9).

- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.

Additionally, STS recommends the following for Health's consideration. It was noted that costs were specified in the Scope, Sections A.4.b. and A.4.c. Per Travis Johnson, STS Contract Specialist, he recommends that these sections be amended to the following:

A.4.b. Additional Users. Versa: Regulation. The State may request additional licenses if its user population exceeds the three hundred (300) named users provided in the initial base license purchase. The Contractor agrees to provide, at the State's request, additional professional licenses to supplement the base license. The State shall compensate the vendor for such licenses in accordance with Contract section C.3.b.

A.4.c. Additional Professions. Versa: Online and Versa: Regulation, The State may require additional Profession licenses during the term of this contract as necessary. The Contractor agrees to provide, at the State's request, additional profession licenses as necessary. The State may request such additional licenses if the professions supported exceed the one hundred forty (140) licenses for Versa Regulation and the one hundred forty-three (143) licenses for Versa Online. The State shall compensate the vendor for such licenses in accordance with Contract section C.3.b.

Please Note: The language removed that specifies cost should be added to Contract section C.3.b, if it is not already there. If already there, then the references in the above language are all that is needed.



Type your Windows password to log on:

OK X

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New Window | Personalize Page |

SCR_Technology

Subject 34301 MicroPact VERSA

[Review/Edit Approvers](#)

SCR Technology

▼ SCR_Technology: 3464:Approved

SCR Technology

Approved

Lindsay Oliveras

Agency Forms Approver

10/28/20 - 12:08 PM

Approved

Tara Roark

CFO Sourcing Forms Approver

10/28/20 - 1:16 PM

Approved

Kevin Wieck

CFO Tech Forms Approver

11/09/20 - 11:10 AM

Approved

Christopher Salita

CFO Director Forms Approver

11/10/20 - 1:01 PM

Approved

Bryan S Chriske

COT Treasury Forms Approver

11/16/20 - 10:32 AM

► Comments

► Comment History

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OK

Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

Upload the completed document and route for approvals by selecting the appropriate SCR e-Form type in Edison. For additional guidance, please see the Special Contracts Request e-Form Job Aid available online at the following:

<https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html>.

APPROVED [Upload this SCR to e-Forms in Edison. Approvals will be captured in Edison Workflow.]		APPROVED [Upload this SCR to e-Forms in Edison. Approvals will be captured in Edison Workflow.]	
CHIEF PROCUREMENT OFFICER	DATE	COMPTROLLER OF THE TREASURY	DATE

Approval of the SCR does not constitute approval of the final contract.

Request Tracking #	34310-24121
1. Contracting Agency	Department of Health
2. Type of Contract or Procurement Method	<input type="checkbox"/> No Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Sole Source <input type="checkbox"/> Proprietary <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Other _____
3. Requestor Contact Information	Michael Taylor TN Department of Health Division of Health Licensure & Regulation 665 Mainstream Dr., 2 nd Floor Nashville, TN 37243
4. Brief Goods or Services Caption	Versa: Online Software Application and Versa: Regulation Enhancements

Request Tracking #	34310-24121
5. Description of the Goods or Services to be Acquired	i. Versa: Online Services and Licenses ii. Versa: Online is a web-based application that interfaces with the State's current Versa: Regulation application (aka LARS – Licensure and Regulatory System). Versa: Online will expand applicant, licensee, and public citizen services through the Internet via the Tennessee Department of Health (TDH) website. iii. Versa: Online Maintenance and Support iv. Versa: Regulation Maintenance and Support v. Versa: Regulation Project Change Requests (PCR) – Enhancements to the current Versa: Regulation system to improve or increase additional functionality vi. Versa: Online Project Change Requests (PCR) – Enhancements to the current Versa: Online system to improve or increase additional functionality.
6. Proposed Contractor	MicroPact
7. Name & Address of the Contractor's principal owner(s) – NOT required for a TN state education institution	Alex Colon, General Counsel & Director of Contracts MicroPact 12901 Worldgate Drive, Suite 800 Herndon, VA 20170
8. Proposed Contract Period – with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.	60 months
9. Strategic Technology Solutions ("STS") Pre-Approval Endorsement Request – information technology (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
10. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
11. Human Resources Pre-Approval Endorsement Request – contracts with an individual, state employee training, or services related to the employment of current or prospective state employees	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
13. Maximum Contract Cost – with ALL options to extend exercised	\$ 2,655,084.00
14. Was there an initial government estimate? If so, what amount?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES, \$
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	Similar rates to current contract with vendor.

Request Tracking #	34310-24121
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	The TDH has conducted business with MicroPact for over 5 years. Both the Versa:Regulation and the Versa:Online applications are part of their Versa Product Suite of applications. The proposed contract amount is reasonable considering the Department's experience with the vendor through the purchase and implementation of the Versa:Regulation application and in consideration of their unique experience in configuring, implementing, and supporting a public health software support system product.
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Representatives of the TDH and MicroPact communicated through phone, email and meetings.
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	This allows for health professionals and health-related facilities to renew and apply for the State of TN licenses. The Versa:Online application streamlines the renewal, initial application, and other transactions via a secure, web-based customer self-service solution. This reduces agency costs, improves data accuracy, and increases staff productivity. Versa:Regulation Post Go-Live Project Change Requests (PCR) enhances the current Versa:Regulation system to improve or increase additional functionality.
19. Proposed contract impact on current State operations	The Versa:Online application streamlines processes and increases efficiencies for the Health Licensing & Regulation and Health Facilities areas who currently perform manual tasks in part or in whole for health professionals and health-related facilities to renew or apply for State of TN licenses. This reduces the workload impact on State operations.
20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	The procurement method was chosen because the Versa:Online application is part of the Versa Product Suite that includes the Versa:Regulation software which is currently used by the TDH and was purchased and implemented by MicroPact. MicroPact has an established and unique experience with configuring and implementing the Versa Product Suite.
For No Cost and Revenue Contracts Only	

Request Tracking #	34310-24121
21. What costs will the State incur as a result of this contract? If any, please explain.	
22. What is the total estimated revenue that the State would receive as a result of this contract?	
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	<input type="checkbox"/> NO <input type="checkbox"/> YES
24. Summary of State responsibilities under proposed contract	
For Sole Source and Proprietary Procurements Only	
25. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	<p>MicroPact has over 40 years' experience successfully delivering regulatory solutions for public sector agencies with complex and high volume business processing needs. MicroPact's team of over 400 employees work with more than 150 local, state, and federal government agencies delivering solutions that impact the lives of millions of individuals across North America.</p>
26. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	<p><input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Method: Proprietary Name/Address: MicroPact 12901 Worldgate Drive, Suite 800 Herndon, VA 20170</p>
27. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	Current contract awarded as proprietary.
Signature Required for all Special Contract Requests	

Request Tracking #	34310-24121
<p>Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document) [Either upload signed SCR in Edison or capture authorized agency approval in Edison Workflow.]</p>	
<p>Signature: _____ Date: _____</p>	

**CONTRACT**

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date February 7, 2021	End Date February 6, 2024	Agency Tracking # 34310-24121	Edison Record ID
Contractor Legal Entity Name Tyler Technologies, Inc.			Edison Vendor ID 68047
Goods or Services Caption (one line only) Versa: Online Software Application and Versa: Regulation Enhancements			
Contractor <input checked="" type="checkbox"/> Contractor		CFDA #	
Funding —			
FY	State	Federal	Interdepartmental
2021	\$442,514		
2022	\$885,028		
2023	\$885,028		
2024	\$442,514		
TOTAL:		\$2,655,084	\$2,655,084
Contractor Ownership Characteristics: <input type="checkbox"/> Minority Business Enterprise (MBE): <input type="checkbox"/> African American <input type="checkbox"/> Asian American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Native American <input type="checkbox"/> Woman Business Enterprise (WBE) <input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE) <input type="checkbox"/> Disabled Owned Business (DSBE) <input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees. <input type="checkbox"/> Government <input type="checkbox"/> Non-Minority/Disadvantaged <input checked="" type="checkbox"/> Other: Corporation			
Selection Method & Process Summary (mark the correct response to confirm the associated summary)			
<input type="checkbox"/> Competitive Selection			
<input checked="" type="checkbox"/> Other		The procurement method was chosen because the Versa software is currently used by the TDH. Tyler Technologies, Inc. has an established and unique experience with configuring and implementing the product.	
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			
Speed Chart (optional) HL00000320		Account Code (optional) 72203000	

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF HEALTH
AND
Tyler Technologies, Inc.**

This Contract, by and between the State of Tennessee, Department of Health ("State") and Tyler Technologies, Inc. ("Contractor"), is for the provision of the Versa: Online web-based software system and Versa: Regulation Post Go-Live Enhancements, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Virginia
Contractor Edison Registration ID # 68047

A. SCOPE:

A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

A.1.a. This Contract incorporates the following Versa Product Suite components and services:

- (1) Versa: Online Services and Licenses
- (2) Versa: Online is a web-based application that interfaces with the State's current Versa: Regulation application (aka LARS – Licensure and Regulatory System). Versa: Online will expand applicant, licensee, and public citizen services through the Internet via the Tennessee Department of Health (TDH) website.
- (3) Versa: Online Maintenance and Support
- (4) Versa: Regulation Maintenance and Support
- (5) Versa: Regulation Project Change Requests (PCR) – Enhancements to the current Versa: Regulation system to improve or increase additional functionality
- (6) Versa: Online Project Change Requests (PCR) – Enhancements to the current Versa: Online system to improve or increase additional functionality.

A.2. Definitions. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:

- A. **"Internet Service Unit (ISU)"** means an on-line transaction or service function (e.g. renewal, complaint, address change, etc.) offered for one License Type (e.g. nurse, medical doctor, etc.) through Versa: Online.
- B. **"License Type"** means a profession and an entity in Versa: Regulation and Versa: Online requiring a license to conduct business in the State of Tennessee (e.g. medical professionals, business establishments, facilities, schools, etc.).
- C. **"Operations Manual"** means a user guide to the Versa: Regulation and Versa: Online system.
- D. **"Project Change Request (PCR)"** means a formal request for an adjustment or enhancement of a system. A PCR is declarative, i.e. it states what needs to be accomplished and the effect of the proposed changes to the current project deliverables, schedule, and cost. **"Versa: Online"** means Tyler Technologies, Inc.'s web-based application that interfaces with Versa: Regulation data to provide citizens with easy access to public information and license holder services.
- E. **"Versa: Regulation"** means Tyler Technologies, Inc.'s comprehensive, integrated office licensing solution which includes Application Processing, Licensing, Inspections, Enforcement, Cash, Examinations, and Reporting.

A.3. Versa: Online Services and Licenses

A.3.a. Base License Initial Licensure – Versa: Online

- (1) The Contractor shall provide the appropriate license(s) allowing the State to use the Versa: Online system. The State reserves the right to install multiple instances of the software, on multiple servers, in multiple locations to meet their implementation needs. These installations may include development, test, and the State's production environment.
- (2) The Contractor shall provide the base license to the State no later than the first date in which the software is initially installed in the State's development environment.

A.3.b. Additional Licenses – Versa: Online

- (1) A total of 143 License Types that have been identified as necessary for this project and shall be delivered as required.

A.4. Expansion of the System.

A.4.a. Expansion of the System. Future State legislation or other requirements may cause expansion of Versa: Online and/or Versa: Regulation in various ways, including but not limited to the number of users or professions (aka License Types) as applicable. The Contractor shall provide support for any additional licenses purchased for system expansion in the same manner as provided for all other licenses in this Contract.

A.4.b. Additional Users. Versa: Regulation. The State may request additional licenses if its user population exceeds the three hundred (300) named users provided in the initial base license purchase. The Contractor agrees to provide, at the State's request, additional professional licenses to supplement the base license. The State shall compensate the vendor for such licenses in accordance with Contract section C.3.b.

A.4.c. Additional Professions. Versa: Online and Versa: Regulation. The State may require additional Profession licenses during the term of this Contract as necessary. The Contractor agrees to provide, at the State's request, additional profession licenses as necessary. The State may request such additional licenses if the professions supported exceed the one hundred forty (140) licenses for Versa Regulation and the one hundred forty-three (143) licenses for Versa Online. The State shall compensate the vendor for such licenses in accordance with Contract section C.3.b.

A.5. The State may, at its sole discretion and with written notice to the Contractor, request changes in the Scope that are necessary but were inadvertently unspecified in this Contract.

a. Change Order Creation— After receipt of a written request for additional services from the State, the Contractor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for completing the service. Contractor's proposal must specify:

- (1) the effect, if any, of implementing the requested change(s) on all other services required under this Contract;
- (2) the specific effort involved in completing the change(s);
- (3) the expected schedule for completing the change(s);
- (4) the maximum number of person hours required for the change(s); and
- (5) the maximum cost for the change(s)— this maximum cost shall in no instance exceed the product of the person hours required multiplied by the appropriate payment rate proposed for such work.

The Contractor shall not perform any additional service until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Change Order between the Contract Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Contract.

- b. Change Order Performance— Subsequent to creation of a Change Order, the Contractor shall complete the required services. The State will be the sole judge of the acceptable completion of work and, upon such determination, shall provide the Contractor written approval.
- c. Change Order Remuneration— The State will remunerate the Contractor only for acceptable work. All acceptable work performed pursuant to an approved Change Order, without a formal amendment of this Contract, shall be remunerated in accordance with and further limited by Contract Section C.3.c., PROVIDED THAT, the State shall be liable to the Contractor only for the cost of the actual goods or services provided to complete the necessary work, not to exceed the maximum cost for the change detailed in the Change Order. In no instance shall the State be liable to the Contractor for any amount exceeding the maximum cost specified by the Change Order authorizing the goods or services. Upon State approval of the work, the Contractor shall invoice the State in accordance with the relevant provisions of this Contract.

A 7. Software Maintenance and Support. The Contractor shall provide software maintenance and support for Versa: Online and Versa: Regulation Software as described below.

A.7.a. The Contractor shall:

- (1) Make all necessary adjustments, modifications, and repairs for software to operate with minimal interruptions.
- (2) Analyze and correct reported software malfunctions and any reported latent deficiencies.
- (3) Incorporate and test all supported customizations into the new software version.
- (4) Provide software modifications for operation within the infrastructure in which the software is installed, provided the State is using the software in an operating environment.
- (5) Provide new versions of the software, including hotfixes and enhancements. Complete documentation of all system enhancements or revisions will be provided with new releases of software. Documentation must describe, in a user-friendly manner, what the user needs to know to understand each level on which the software operates.
- (6) Provide modifications and enhancements, as defined in Sections A.5. and A.6 (Project Change Requests). All such modifications and enhancements will be developed consistent with and operate with the existing System at no loss of function to the existing software. Modifications and enhancements will be delivered:
 - a. Installed, or Installable, on the State Computer system;
 - b. Must operate without abnormal program interruptions;
 - c. Must substantially provide the functions as required by the specifications and as described by documentation supplied by Contractor; and
 - d. Be provided with updates to the documentation, including the approved Detailed Business Requirements document, the Functional Specification Design Document and documentation of any related database changes, including but not limited to, an updated data dictionary and a comprehensive set of data models with each new modification and enhancement for the affected portion(s) of the system.
- (7) At no additional cost to the State, ensure that any new version of the Software provided to the State shall contain any and all modifications and enhancements that were developed for the State.

- (8) Provide customer support services to the State via a toll free telephone number, web-based interface, and email between the hours of 7:00 AM and 5:00 PM Central Standard Time, Monday through Friday, excluding State Holidays.
- (9) Respond to problems, requests for technical support, or requests for information within three (3) business days, by correcting the problem, providing technical support or information requested, or providing a plan, including a delivery date, for the problem correction, technical support, or information requested. Responses to problems identified by the State as urgent will be made within one (1) day.
- (10) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.
- (11) The Contractor agrees to maintain the application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (12) If the application requires middleware or database software, the Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and application to ensure that security vulnerabilities are not introduced.
- (13) Comptroller Audit Requirements. Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. The Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. The Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to The Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit.

The information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

- (14) When requested modifications and enhancements impact both VERSA Regulation and VERSA Online, the Contractor shall release these modifications to both applications simultaneously to ensure the applications are in sync.

A 7.b. The State:

- (1) May choose to purchase additional software modules within the general scope of the Contract. If the State so chooses, maintenance for the additional software modules will be included in the acquisition cost in the Contract fiscal year in which it was purchased; in subsequent years, the costs will be added to base license system support fees. This action will require an amendment to the current Contract.
- (2) May choose to stay within two years of the current release of the Contractor's software. The State reserves the right, if it is deemed to be in the State's best interest, not to install the most recent, new versions of the Contractor's software, and support shall not be contingent on installing the most recent, new versions of the Contractor's software.
- (3) Shall provide the Contractor necessary access, with appropriate security restrictions, to the software and equipment on which it runs in order to effect necessary adjustments and repairs.

A 7.c. Exclusions. The Contractor is not required to perform support with respect to the following:

- (1) Assistance in resolving problems due to the State's modification of the software;
- (2) Problems encountered as a result of third-party products co-resident on the system;
- (3) Assistance in resolving software problems other than those associated with the software; including, but not limited to, problems with the hardware and its operating system;
- (4) Communications and system administration-related problems;
- (5) Assistance in migrating to new releases of other software products; or
- (6) Assistance in resolving problems due to using the software in an operating environment.

A 7.d. Other Maintenance Services. Annual maintenance services do not include the following items but Contractor will provide such services on the basis of the Project Change Request (PCR) process at the rates listed in Section C – *Hourly Rates for Additional Services i.e. Version Upgrades, PCR Enhancement, etc.*

- (1) Changes to set-up or configuration.
- (2) Support of Customer changes to set-up or configuration.
- (3) Database administration services.
- (4) Infrastructure support including troubleshooting Customer environment.
- (5) Customer new hire or refresher staff training.
- (6) Implementation, data conversion, configuration or acceptance testing of major new versions or enhancements.
- (7) Deployment of any hotfix, minor, or major updates to Customer environments.
- (8) Operations support.
- (9) Enhancements or customizations to the Versa software Enhancements or customizations to the Versa software.
- (10) Maintenance of third party Interfaces for which periodic updates are required.

A. 8. System Documentation The Contractor shall provide at no additional cost to the State, the following Versa: Online Documentation:

- (1) Versa Quick Reference Guide. This guide will provide a reference for casual or infrequent users that will enable them to quickly access major functions of the system without having to refer to the Operations Manual.

- (2) Operations Manual This manual shall provide complete information and instructions in the technical operation, maintenance, and administration of the Versa: Regulation and Versa: Online systems.

- A.9. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

- A.10. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.
- A.11. Professional Services for VERSA Regulation / VERSA Online Version Upgrade
The Contractor will provide a quote for VERSA Regulation and VERSA Online version upgrade. The State must agree to the quote in writing before the Contractor will begin work on an upgrade. The upgrade costs shall not exceed \$200k.
- A.12. Professional Services for List of 15 Enhancements identified in Supporting Documents section
The Contractor will provide a quote for each enhancement. The State must agree to the quote in writing before the Contractor will begin work on an enhancement. Enhancement costs shall not exceed \$400k.

B. TERM OF CONTRACT:

This Contract shall be effective on February 7, 2021 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

- B.1. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Two Million Six Hundred Fifty Five Thousand Eighty Four Dollars (\$2,655,084) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. **Compensation Firm.** The payment methodology in Section C.3 and the Travel Compensation provided in Section C.4 shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct or indirect costs incurred or to be incurred by the Contractor.
- C.3. **Payment Methodology.** The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- C.3.a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
- C.3.b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount (per compensable increment)
Versa: Online Maintenance and Support	\$117,000.00 per year
Versa: Regulation Maintenance and Support	\$380,264.00 per year
Versa: Online Services and Licenses	\$ 350 each
Versa: Online Project Change Requests (PCR)	\$ 1375 per Hour
Versa: Regulation Project Change Requests (PCR)	\$1375 per Hour

Hourly Rates for Version Upgrade, PCR / Enhancements

Labor Category	YR 1 Rate	YR 2 Rate	YR 3 Rate	YR 4 Rate Option Year	YR 5 Rate Option Year
Project Manager	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00
Component Architect	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00
Lead JAVA/.NET Developer	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00
Certified JAVA/.NET Developer	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00
Non-Certified JAVA/.NET Developer	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00

Web Developer	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00
Business Analyst	\$150.00	\$150.00	\$150.00	\$160.00	\$160.00
Database Administrator	\$175.00	\$175.00	\$175.00	\$185.00	\$185.00
Trainer	\$150.00	\$150.00	\$150.00	\$160.00	\$160.00

* See Itemized List of PCRs below:

Supporting Documents

*Itemized PCR Annual Maintenance Fees for Current Configuration

Tennessee Department of Health Project Change Requests			
PCR Description	Created Date	PCR Amount	Annual Maintenance
PCR 001 iNovah Interface	11/7/2011	\$16,200	\$1,620
PCR 002 Enforcement Numbering Enhancements	11/7/2011	\$6,600	\$660
PCR 003 Modifier Long Description Change	11/7/2011	\$3,000	\$300
PCR 004 Valcode	11/7/2011	\$3,600	\$360
PCR 005 Navigation Arrows in License History	11/7/2011	\$2,400	\$240
PCR 006 Custom Approval Method	11/7/2011	\$4,800	\$480
PCR 007 Nursing Exam Processing Interface	11/7/2011	\$15,600	\$1,560
PCR 008 Changes to Lockbox	11/9/2011	\$1,800	\$0
PCR 009 Changes to Nurse Aide Exam Score Upload Interface	11/9/2011	\$600	\$0
PCR 011 General Environmental Health Division	4/5/2012	\$43,200	\$4,320
PCR 014 Changes to Right To Know Subsystem	5/30/2012	\$13,200	\$2,640
PCR 015 VEvans Sept2012	9/27/2012	\$2,813	\$0
PCR 016 VEvans Oct2012	9/27/2012	\$9,375	\$0
PCR 017 VEvans Nov2012	10/31/2012	\$10,988	\$0
PCR 018 VEvans Dec2012	11/14/2012	\$9,825	\$0
PCR 019 Changes to Nurse Aide Exam Score Upload	11/26/2012	\$6,600	\$660
PCR020 Changes to NIC Interface and AFP extract for SB 3644	12/21/2012	\$23,250	\$2,325
PCR 021 VEvans Jan2013	1/25/2013	\$12,525	\$0
PCR 023 VEvans Feb2013	1/25/2013	\$8,963	\$0
PCR 024 VEvans Mar2013	1/25/2013	\$11,325	\$0
PCR 025 Onsite Training - Env Health	2/8/2013	\$2,400	\$0
PCR 030 - GEH / AFP	5/16/2013	\$16,500	\$1,650
PCR 031 - GEH / Lockbox	5/16/2013	\$22,800	\$2,280
PCR 032 - Invoice Splits	8/21/2013	\$0	\$0
PCR 033 - Cash Lockbox Report Changes	8/15/2013	\$12,000	\$1,200
PCR 034 - Requirement Gathering	8/21/2013	\$4,500	\$0
PCR 035 - FSE Inspection Scores Extract	10/4/2013	\$42,000	\$4,200
PCR 036 - CNA Training Program Extract Changes	12/12/2013	\$9,300	\$930
PCR 037 - Web License Status	12/3/2013	\$8,700	\$870

PCR 039 - Abuse Registry Extract Changes	1/14/2014	\$5,100	\$510
PCR 041 - Nursing Exam Process Changes	1/16/2014	\$16,800	\$1,680
PCR 042 - Eff Date Script - \$0	4/1/2014	\$0	\$0
PCR 043 - SQL Rule Change for Waiting Pd - \$0	4/1/2014	\$0	\$0
PCR 044 - Midwifery Board Change	4/4/2014	\$6,600	\$0
PCR 045 - Wall License Cert #'s	4/4/2014	\$4,200	\$420
PCR 046 - BIV Report Changes	7/25/2014	\$18,000	\$1,800
PCR 047 - EH - Sys Admin Training 1	4/4/2014	\$5,400	\$0
PCR 048 - EH - Sys Admin Training 2	4/4/2014	\$6,300	\$0
PCR 050 - Health Web Extract Changes	6/11/2014	\$15,000	\$1,500
PCR 051 - Nurse Aide Changes (SSN Only)	9/11/2014	\$9,000	\$900

Tennessee Department of Health Project Change Requests			
PCR Description	Created Date	PCR Amount	Annual Maintenance
PCR 052 - Mandatory ML Addresses	10/1/2014	\$39,000	\$3,900
PCR 053 - TNDH52 routine change for AFP	5/13/2015	\$4,500	\$450
PCR 054 - TNDH47 Program Changes	6/3/2015	\$3,900	\$390
PCR 055 - License type 564 with Board 51	6/16/2015	\$10,800	\$1,800
PCR 057 - Post Go Live Enhancements Group 1 of 3	7/24/2015	\$19,575	\$1,975
PCR 058 - Practice address needs Pharmacists information	8/20/2015	\$2,400	\$240
PCR 059 - Status effect date should not change when changing secondary license status	8/20/2015	\$2,700	\$270
PCR 060 - Post Go Live Enhancements Group 2 of 3	7/30/2015	\$25,425	\$2,542
PCR 061 - Post Go Live Enhancements Group 3 of 3	9/10/2015	\$145,480	\$21,822
PCR 062 - FileNet Upgrade	9/10/2015	\$21,658	\$3,249
PCR 068 - TNDH87 Printing Issue	3/28/2017	\$4,132.56	\$619.88
PCR 069 - Removing Some Counties from Printing (TNDH87)	1/27/2017	\$6,915.12	\$1,037.26
PCR 076 - TNDH68 NURSYS License Verification Extract	11/10/2017	\$7,562.60	\$1,134.39
PCR 077 - Professional Qualifier Added to VR/VO	1/3/2017	\$9,865.24	\$1,479.79
PCR 079 - VO Registration and Onboarding	2/1/2017	\$16,725.32	\$2,508.80
PCR 080 - VO Functionality for Alternate Names	1/3/2017	\$11,945.28	\$1,791.80
PCR 081 - Application Questions Linked to RSDs	1/3/2017	\$16,160.40	\$2,424.06
PCR 088 - TNDH67 Modification to Pull Long Description for Modifier	5/17/2017	\$2,755.04	\$413.26
PCR 089 - Continue Education Summary Changes	11/30/2017	\$4,862.60	\$0.00
PCR 090 - TNDH32 - Priority Code	10/9/2017	\$17,935.28	\$2,690.29
PCR 091 - TNDH38 Report - e-Mail	11/17/2017	\$2,755.04	\$413.26
PCR 094 - Create New Letter View for Supervisory Request	9/6/2017	\$3,548.39	\$532.26
PCR 095 - VR/VO Basic & Advanced Training - Phase 2	12/1/2017	\$13,770.40	\$0.00
PCR 097 - VO PA Drug Selection Screen Change	9/6/2017	\$3,548.39	\$532.26
PCR 100 - VO Name Change Customization	1/17/2018	\$33,675.84	\$5,051.38
PCR 102 - Adding Configurations to iNovah Interface	12/4/2017	\$8,375.20	\$1,256.28

PCR 105 - VO View Modifier Attached to a License	1/17/2018	\$7,303.32	\$1,095.50
PCR 066 - AAA4 Expire Applications Program to Change Manual Hold Licenses	4/3/2018	\$1,742.54	\$261.38
PCR 087 - Random CE Audit Report TNDH15 Modifications	1/31/2018	\$8,320.16	\$1,248.02
PCR 096 - TNDH10 Modification	1/31/2018	\$6,970.16	\$1,045.52
PCR 099 - Changes to Client Codes displayed in TNDH66 & TNDH73	1/31/2018	\$3,485.08	\$522.77
PCR 101 - TN Board of Dentistry Jurisprudence Exam Interim DC02D (343) Project	1/31/2018	\$23,775.60	\$3,566.34
PCR 103 - Modification to Hold on Renewals SQL Rule	1/31/2018	\$9,050.20	\$0.00
PCR 104 - NURSIS Phase 2 - TNDH68 Extract	1/31/2018	\$8,347.68	\$0.00
PCR 109 - EH Mobile Inspection App Extract	1/31/2018	\$11,860.28	\$1,779.04
PCR 110 - Changes to AFP Layout for Lic_nme	2/28/2018	\$5,592.64	\$838.90
PCR 113 - Modification of Report (tnh06) Pharmacy Inspection Report	4/13/2018	\$4,721.37	\$0.00
PCR 114 - Random CE Audit Report (tnh15) Adding e-mail Indicator	4/13/2018	\$2,445.06	\$0.00
PCR 119 - TNDH73 Extract Lapsed License Status Modification	5/9/2018	\$3,485.08	\$0.00
PCR 121 - Supervisory Request History	7/20/2018	\$29,395.76	\$367.45

Tennessee Department of Health Project Change Requests			
PCR Description	Created Date	PCR Amount	Annual Maintenance
PCR 123 - Extract (tnh68) in Regards to APN 1702	7/5/2018	\$2,431.30	\$0.00
PCR 129A - Private Address Records to be Omitted from License Verification (Phase 1)	8/22/2018	\$19,560.48	\$0.00
PCR 129B - Private Address Records to be Omitted from License Verification (Phase 2)	8/27/2018	\$5,592.64	\$0.00
PCR 130 - Adding Re-captcha fix to tndoh_drop_vr_2018_006	7/19/2018	\$1,756.30	\$0.00
PCR 124 - Changes to Prof Code 3333 tndh73 Extract	8/10/2018	\$1,724.54	\$0.00
PCR 125 - Education Changes for TNDH68	8/15/2018	\$4,160.08	\$0.00
PCR 127 - HCF Admin Routing	08/10/2018	\$7,700.20	\$1,155.03
PCR 128 - Extract Files for CE Broker	09/10/2018	\$8,375.20	\$1,256.28
PCR 131 - Debit Changes in iNovah	08/21/2018	\$2,080.04	\$0.00
PCR 136 - VR Notification by VO of Applicant Adding Documents	03/25/2019	\$8,430.24	\$0.00
PCR 137 - BOT 20 Hours	4/16/2019	\$3,500.00	\$0.00
Total Annual PCR Maintenance			\$104,764

Supporting Documents

- C.3.c. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A, without a formal amendment of this Contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Section C, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed SEVEN PERCENT (7%) of the sum of milestone payment rates detailed in Section C.3.b., above (which is the total cost for the milestones and associated

deliverables set forth in Contract Sections A.3., through A.8.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.

Service Description	Amount (per compensable increment)
Versa: Online Change Requests (PCR)	\$ 1375 per hour
Versa: Regulation Change Requests (PCR)	\$1375 per hour
NOTE: The Contractor shall not be compensated for travel time to the primary location of service provision.	

- C.4. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Michael Taylor
 TN Department of Health
 Division of Health Licensure and Regulation
 665 Mainstream Drive, Second Floor
 Nashville, TN 37243

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: TN Department of Health/Division of Health Licensure and Regulation
 - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
 - (6) Contractor name;
 - (7) Contractor Tennessee Edison registration ID number;
 - (8) Contractor contact for invoice questions (name, phone, or email);
 - (9) Contractor remittance address;
 - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
 - (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
 - (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
 - (13) Amount due for each compensable unit of good or service; and
 - (14) Total amount due for the invoice period.
- b. Contractor's invoices shall:
- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
 - (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and

- (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.5. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.7. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
- a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. MANDATORY TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Michael Taylor
 TN Department of Health
 Division of Health Licensure and Regulation
 665 Mainstream Drive, Second Floor
 Nashville, TN 37243

Email Address: Michael.Taylor@tn.gov
 Telephone #: 615-741-8407

The Contractor:

Alex Colon, General Counsel & Director of Contracts
 Tyler Technologies, Inc. (formerly Iron Data)
 12901 Worldgate Drive, Suite 800
 Herndon, VA 20170
 Email: contracts@micropact.com
 Telephone #: 703-657-5690
 Fax #: 571-346-3757

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials. The State's exercise of a valid Renewal Option or Term Extension does not constitute an amendment so long as there are no other changes to the Contract's terms and conditions.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 1, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under

this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless from any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on

the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
 - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.
- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.

- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees for the affected obligations until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all State and federal laws and regulations applicable to Contractor in the Contractor's performance of this Contract.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.

- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Attachment 1;
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars (\$2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) combined with an umbrella policy for an additional one million dollars (\$1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor

shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability ("CGL") Insurance

- (1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

- (1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- (2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;
 - iii. The Contractor is in the construction business or trades with no employees;
 - iv. The Contractor is in the coal mining industry with no employees;
 - v. The Contractor is a state or local government; or
 - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Crime Insurance

- (1) The Contractor shall maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for third party fidelity, including cyber theft and extortion. The policy must allow for reporting of circumstances or incidents that may give rise to future claims, include an extended reporting period of no less than two (2) years with respect to events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.
- (2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or "tail coverage" of at least two (2) years after the Term.

D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

D.34. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents

of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
- E.3. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.
- E.4. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.
- E.5. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less ordinary wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.
- E.6. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.7. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.
- E.8. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time

("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Contract.

E.9. Transfer of Ownership of Custom Software Developed for the State.

a. Definitions.

- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor for the State under this Contract intended to function with the Contractor-Owned Software or any Work Product provided under this Contract.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software and documentation owned or supplied by Contractor or a third party necessary for the use, functioning, support, or maintenance of the Contractor-Owned Software, the Custom-Developed Application Software, Third Party Software, and any Work Product provided to State.
- (4) "Third-Party Software," shall mean software supplied by Contractor under this Contract or necessary for the functioning of any Work Product not owned by the State or the Contractor.

- (5) "Work Product," shall mean all deliverables such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State under this Contract. Work Product shall include Rights Transfer Application Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license or transfer of rights or ownership granted under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software and the Work Product.
- (2) Contractor shall provide the source code in the Custom-Developed Application Software, Work Product and the Contractor-Owned Software, with all subsequent modifications, enhancements, bug-fixes or any other changes in the source code of the Work Product and the Contractor-Owned Software and all other code and documentation necessary for the Custom-Developed Application Software to be installed and function as intended and as set forth in this Contract, to the State.
- (3) Contractor may lease or sell the Custom-Developed Application Software to third parties with the written permission of the State, which permission may be conditioned on the State receiving royalties from such sales or licenses.
- (4) All right, title and interest in and to the Custom-Developed Application Software, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Custom-Developed Application Software, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Custom-Developed Application Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Custom-Developed Application Software. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.
- (5) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license or other rights granted to the State under this Contract or otherwise.

- c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

- E.10. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply of any good or service under this Contract shall contain any terms or conditions other than as set forth in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.

IN WITNESS WHEREOF,

TYLER TECHNOLOGIES, INC.:

CONTRACTOR SIGNATURE

DATE

ALEX COLON, GENERAL COUNSEL & DIRECTOR OF CONTRACTS

TENNESSEE DEPARTMENT OF HEALTH:

LISA D. PIERCEY, MD, MBA, FAAP, COMMISSIONER

DATE

ATTACHMENT 1

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	TYLER TECHNOLOGIES, INC.
EDISON VENDOR IDENTIFICATION NUMBER:	68047

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION